

Chapter 7. Examples of TOD in California

{¹ “TOD Examples in California

There are many transit-oriented development projects underway at various stages of implementation in California. The four examples selected for this guidebook represent different types of TODs in various parts of the state.”¹} The main project components and financing are presented as well as lessons learned.

Rio Vista West, San Diego

Location:

Suburban

Jurisdiction:

City of San Diego

Transit Agency:

Metropolitan Transit Development Board (MTDB)

Transit Service and Ridership:

Light Rail; 15-minute frequency;

451 daily ‘ons’ and ‘offs’ in 2000

565 daily ‘ons’ and ‘offs’ in 2003

Developers:

CalMat Co.(site planner); Greystone Development Company

Financing:

Financed privately and market driven

Terry Parker and GB Arrington, “Statewide Transit-Oriented Development Study: Factors for Success in California”, for the California Department of Transportation, Final Report, April 2002

Note: Because of the volume and length of many of the quotations in this document, a bracket symbol with corresponding footnote reference number is placed at the beginning and ending of each quotation.

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Rio Vista West, San Diego

Overview

Rio Vista West, is a mixed-use transit village being built in phases on 95 acres near the Rio Vista light rail station. The City of San Diego's 1985 Mission Valley Plan designated multiple urban nodes and envisioned higher-density for this area.

(<http://transitorienteddevelopment.dot.ca.gov/station/stateViewStationOverview.jsp?stationId=21>)

Rio Vista West's first phase was a fairly standard shopping center. The first residential development in this area was located one-quarter mile from the station. These units are in three-story structures at blended densities of 33 units per acre, well above the typical densities found in the surrounding suburbs which average 4 to 5 units per acre.

The second residential phase of 240 condominium units broke ground in quick succession. Construction is now underway on the final residential portion immediately next to the station. The 970-unit project at a density of approximately 70 units per acre is estimated for completion in 2004. The residential units are over ground-floor retail stores.

The portion of the TOD near the light rail station includes 30,000 to 50,000 square feet of small office and neighborhood retail. There is minimal street parking near the office/retail uses because of the availability of transit, and much of the parking is underground.

TOD Policies and Programs

In 1990, the Metropolitan Transportation Development Board (MTDB) adopted a policy on land use coordination that calls for working closely with other

agencies on pedestrian and transit-oriented developments. The City of San Diego's TOD design guidelines were adopted in 1992 and incorporated into official policies and regulations.

San Diego does not provide density bonuses for transit-supportive development, but does zone for higher densities around transit stations. The City zoning code allows mixed-uses in most commercial areas. San Diego encouraged the developer to follow [TOD design] guidelines, and received a design that met most of the objectives of the City. No subsidies were involved in this TOD; the project was privately financed and market driven.

Lessons Learned

Rio Vista is an important example of the challenges and opportunities with a phased TOD project. Some observers were skeptical about early development phases of the project because of their automobile orientation. However, the most recent phase – the higher-density residential portion – holds the promise of being one of the most transit-friendly suburban projects in California.

Major lessons from this project include:

- Providing a TOD-friendly master plan can facilitate quality development.
- Having a motivated developer who is committed to the project for the long term is important.
- [Being] ... persistent and pursuing quality TOD design [is important].

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Fruitvale Transit Village, Oakland**Location:**

Urban

Jurisdiction:

City of Oakland

Transit Agency:

Bay Area Rapid Transit District (BART)

Transit Service and Ridership:

BART station, 10-15 min. service

6,240 average weekday exits in 2003

Developer:

Fruitvale Development Corporation

Financing:

More than 20 mostly public sources of funds were combined such as:

- * FTA Livable Communities grant
- * Small grants for the upgrading of more than 100 commercial properties along the corridor

Terry Parker and GB Arrington, "Statewide Transit-Oriented Development Study: Factors for Success in California", for the California Department of Transportation, Final Report, April 2002

Fruitvale Transit Village, Oakland**Overview**

The Fruitvale Transit Village involves the redevelopment of 5.3 acres of BART surface parking into housing and a community center. The Unity Council (formerly the Spanish Speaking Unity Council), created the Fruitvale Development Corporation (FDC) for the purpose of developing this mixed-use, public/private project.

The project was conceived as part of a neighborhood alternative to BART's construction of a parking structure at the station. BART relinquished its plan and agreed to work with the Unity Council to pursue a different type of development. The core of the transit village will cover five acres, including a 99-year ground lease of BART's property.

The plan for Fruitvale Transit Village includes: 337 units of housing; 25,000 sq. ft. of office space; 25,000 sq. ft. of retail/ commercial space; a library; and a 40,000 sq. ft. health clinic. The project is

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being completed in phases. In the initial phase (completed in 1998), sewer and water lines were installed, 67 units of affordable senior housing were built, and trees were planted. Groundbreaking for the second phase occurred early in 2002, for a new parking structure on a 300-space surface BART parking lot. These surface spaces will also be replaced by new parking at nearby locations, resulting in a net increase of 415 parking spaces.

Project Funding

The Fruitvale Transit Village received the Federal Transit Administration's first Livable Communities grant. The Fruitvale Development Corporation (FDC) also used small grants to fund a façade improvement and building renovation program involving more than 100 properties along the business corridor. (Before this program, vacancies had been as high as 40 percent in the area; now, they are less than 1 percent.)

Ultimately, more than 20 sources of funds have been combined to raise the total amount needed. Most of these are public funds, with an additional expected \$20 million in private investments. Each funding source has its own set of special requirements, some of which are conflicting. It took significant time and effort to negotiate a set of acceptable requirements for each element of the project and to make the various timelines mesh.

Parking

Parking is a key element of this project. Without replacement parking for BART riders, it would be more difficult for BART to transfer its land for the

TOD. The FDC obtained \$7.6 million in grant funds for a new parking structure for this purpose. These funds will be credited toward the ground lease with BART.

The City of Oakland has created a special zoning district with reduced parking requirements for residential and commercial land uses in the Fruitvale TOD due to its design and proximity to transit. In this special zone, the residential parking requirement of one space for every two housing units is well below the minimum citywide requirement of one space for each unit. No parking is required for commercial uses.

Lessons Learned

The Fruitvale Transit Village demonstrates the power of a community to attract grant funds and develop solutions that meet its unique needs:

- The project is based on a community process.
- Implementation of the transit village has been hampered by the complexity of the project and the enormity of the vision. This has held back major progress on the project.
- The Unity Council risks becoming a 'victim of its own success' if improvements drive up property values and displace current residents. FDC's response has been to initiate a Homeownership Program that involves buying, rehabilitating and selling homes at affordable prices to help stabilize the community.

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Hollywood-Highland, Los Angeles**Location:**

Urban

Jurisdiction:

City of Los Angeles

Transit Agency:

Los Angeles Metropolitan Transit Authority (MTA)

Transit Service and Ridership:

Metro Red Line subway station, 10-minute frequency

20,545 average weekday boardings and alightings in 2003

Developer:

TrizecHahn Centers

Financing:

Mostly private financing

City of Los Angeles: \$81 million bond for parking structure

Terry Parker and GB Arrington, "Statewide Transit-Oriented Development Study: Factors for Success in California", for the California Department of Transportation, Final Report, April 2002

Hollywood-Highland, Los Angeles**Overview**

The Hollywood Highland TOD was constructed above the Metro Red Line subway at Hollywood Blvd. and Highland Ave. Construction of the subway station and the complex took place simultaneously. The station was completed and service began in June 2000. The TOD was completed in November 2001.

(<http://transitorienteddevelopment.dot.ca.gov/station/stateViewStationOverview.jsp?stationId=19>)

To implement this project, a 'request for proposal' for the project was issued jointly by the Community Redevelopment Agency (CRA) and the City of Los Angeles (LA) in coordination with the LA Metropolitan Transit Authority (MTA). The complex combines 1.3 million square feet of specialty retail, multiplex theaters, restaurants, a 640-room Renaissance Hotel, the restored Graumann's Chinese Theatre, a 3,000-space underground parking structure, plus the Kodak Theatre – the new permanent home for the Academy Awards.

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TrizecHahn holds a land lease for up to 99 years from MTA, and owns and operates the retail projects (a 55-year lease for the 1.35-acre property has already been agreed to for \$492,000 per year). The City of LA owns and operates the theater and parking structure, and the MTA owns and operates the station and the transit facilities.

This TOD is increasing the land use mix, density, and employment of the area. It is an important location and a major destination/attraction. Due to increasing ridership, the Red Line now has six-car trains at peak times.

Project Financing and Agency Participation

Simultaneously constructing the TOD and the Red Line station presented major coordination challenges. Apart from normal underwriting issues (e.g., lease up requirements), the developer felt that there were no significant problems arranging financing for the project.

The City of LA financed the parking garage and the theater through two separate bond offerings. An \$81 million bond for parking is to be repaid from parking fees, business license fees, the transient occupancy tax for the project, and \$20 million in developer equity.

The development results from the assembly of eight separately owned parcels, only one of which (50,000 square feet) was owned by MTA. The MTA

parcel is on a long-term lease for 60 years with four 10-year extensions.

Lessons Learned

The Hollywood/Highland TOD is a dramatic example of the need to start TOD planning early so the design of the transit facilities and other development fit together as well as possible. In this case, MTA started construction with a design that did not lend itself well to the addition of a large structure on the street level, even though it is located in a district where this is appropriate. The 'fast track design' caused subsequent construction problems.

This project heightened awareness of the need to have seasoned construction managers involved early in negotiations and schedule operation. Fortunately, a construction manager who had significant experience and credibility represented MTA. He was able to respond to demands to speed up station completion by establishing realistic schedules and, further, by identifying areas where the developer could facilitate the process.

MTA believes that they will benefit from the project, noting that most of the problems experienced are typical of large and complicated projects. Other station areas now in design are quite different from this one, as is appropriate since each one has to fit its surroundings.

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Holly Street Village, Pasadena**Location:**

Urban

Jurisdiction:

City of Pasadena

Transit Agency:

Los Angeles Metropolitan Transit Authority (MTA)

Transit Service and Ridership:

Light rail transit station, 12-minute frequency

4,560 average weekday boardings and alightings since Memorial Park station opening in July 2003

Developer:

Janss Corporation

Terry Parker and GB Arrington, "Statewide Transit-Oriented Development Study: Factors for Success in California", for the California Department of Transportation, Final Report, April 2002

Holly Street Village, Pasadena**Overview**

Holly Street Village is a mixed-use development built in anticipation of the METRO Blue Line Memorial Park Light Rail Station, which opened in July 2003. The project includes 374 one and two bedroom apartments in 7 buildings as well as 200,000 square feet of parking, and 11,000 square feet of offices and retail on the ground floor. When completed, the light rail station will be located at ground level and go through the main building of the project.

(<http://transitorienteddevelopment.dot.ca.gov/station/stateViewStationOverview.jsp?stationId=11>)

The community is also the home of the former Hall of Justice Building, now converted into loft apartments. The Hall of Justice was built circa 1930 and once served as a courthouse, police station and jail. The project also has a pool, recreation area and public art. The project was winner of the Gold Nugget award for its architectural design and land use planning in 1994.

The Pasadena General Plan of the early 1990s focused on development around six new light rail stations. The city sought proposals for developments around these stations; Holly Street Village is the result of one of these. The area was a parking lot next to freight tracks and a few other buildings had to be demolished.

Chapter 7. Examples of TOD in California***Project Funding***

Funding for Holly Street Village came from a variety of sources including bonds, grants, and Mello-Roos. The rehabilitated Hall of Justice, part of Holly Street Village, used tax credits for funding as well. This development took place before Joint Development with MTA.

References

- 1 The examples are taken from the study by Terry Parker and GB Arrington, Statewide Transit-Oriented Development Study: Factors for Success in California, for the California Department of Transportation, Final Report, April 2002; and the web-based TOD database; more detailed information is available at: <http://www.dot.ca.gov/hq/MassTrans/tod.htm>.